

# Where finance and green technologies meet

GEFF in Armenia Newsletter N2: 07.2019

## GEFF in Armenia supports the “Sustainable Finance Forum”

23.05.2019



The GEFF in Armenia helped organise Greenpact B.V.'s recent “Sustainable Finance Forum”, which took place in Yerevan on 22-23 May 2019.

The event, which was aimed at local and international impact investors, commercial banks, microfinance institutions, crowdfunding platforms, project developers and other organisations working to advance the sustainable development of the region, offered a chance for participants to meet potential clients, as well as to learn about sustainable finance infrastructure, opportunities, and challenges in the region.

“This is a step towards catalysing resources for sustainable infrastructure development in the region through innovative financing and business models incorporating environmental and social impact,” said Andro Butkhuzi, Deputy Project Manager of the GEFF in Armenia.

## EBRD makes green finance more accessible throughout Armenia

01.06.2019

As a continuation of its successful cooperation with local financial institutions, the EBRD has signed two new contracts, thus welcoming Inecobank and ACBA Leasing to the GEFF in Armenia.

Inecobank has been collaborating with the EBRD since 2005, having participated in SME and trade facilitation programmes. The GEFF Loan Agreement between the EBRD and Inecobank will make US\$ 2.5 million available for energy efficiency and renewable energy projects through its 24 branches in Yerevan, Abovyan, Artashat, Ashtarak, Hrazdan, Gyumri, and Vanadzor.

ACBA Leasing has participated in various EBRD green lending and SME development financing projects since 2008. The sum being made available by this contract totals US\$ 2 million, which is now accessible for leasing purposes.

“By signing two new agreements with local financial institutions, the EBRD is making green finance geographically more accessible in Armenia. Businesses now have access to more than 1,600 green technologies available in Armenia through the GEFF Technology Selector (TS) online catalogue”, says the GEFF in Armenia Project Manager Gernot Kuhlisch.

## KEY RESULTS AS OF 1 JULY, 2019

- GEFF in Armenia has financed US\$ 5,148,371 through 4 Partner Financial Institutions, thus reducing primary energy usage by 21,244 MWh/year, saving 5,724 tonnes of CO2 annually.
- 8.1 MW of autonomous power generation were made possible through 38 solar PV financed projects.
- 1,656 EE and RE technologies of 152 vendors from 19 cities around Armenia are made accessible through Technology Selector at <https://ts.ebrdgeff.com/armenia>



### Solar Energy Conference held by Ameriabank

14.05.2019

Ameriabank and the GEF jointly held the Solar Summit 2019 event at the Marriott Hotel Yerevan on 14 May 2019. The purpose of the conference was to introduce the benefits of using solar energy, present associated trends, promote effective financial schemes and tools, and share expertise on the implementation of solar investment projects to the business segment.

In addition to Ameriabank's presentation of its green finance products and vision of the future of renewable energy investments, Mikhayil Gevorgyan, the GEF's PFI Relationship Manager, discussed the importance of transitioning to a green economy, promoting related investments in high-performance technologies and adapting green finance practices. In addition, Vardan Khachatryan, the GEF's technical adviser, presented the specifics of solar investments for the local market.

The conference ended with a highly productive panel discussion about the particularities of the



Armenian market, such as the most frequently arising difficulties with respect to solar investments, the regulatory framework and expectations for future growth. Several experts also participated in the discussion: the Deputy Minister of Energy and Natural Resources of Armenia, Hakob Vardanyan, Ameriabank's Head of Leasing, Zaruhi Bostanjyan, GEF in Armenia's Vardan Khachatryan, and the CEO of Shtigen – Solar Solutions, Hayk Shekyan. The topics were received with great interest not only by the participants in the discussion, who provided answers to practical questions, but also by television journalists and the press.

### “Improving Energy Efficiency Practices” business event hosted by ArmSwissBank

04.07.2019



Increasing the energy efficiency of businesses collaborating with ArmSwissBank is one of the priorities of the PFI. The event that took place at ArmSwissBank's main office gathered decision makers from all over the country – food producers and processors, hospitality and catering service providers as well as other related industries.

The purpose of the event was to share recent practices and trends in EE investment projects, financing schemes and the implementation of such projects.

In addition to presentations delivered by GEF experts Mikhayil Gevorgyan and Vardan Khachatryan, the Bank's Deputy Director of Lending Department and Head of the Project Financing Division, Ara Makaryan, introduced ArmSwissBank's approaches to financing projects of this kind.

As confirmed by the bank's Director of the Development Department, Arkadi Pinachyan, “ArmSwissBank has not only financed EE investments, but has also promoted such investments as a natural precondition for developing the industry and as a way of creating a positive impact on the environment and eventually the country”.



## Local Market

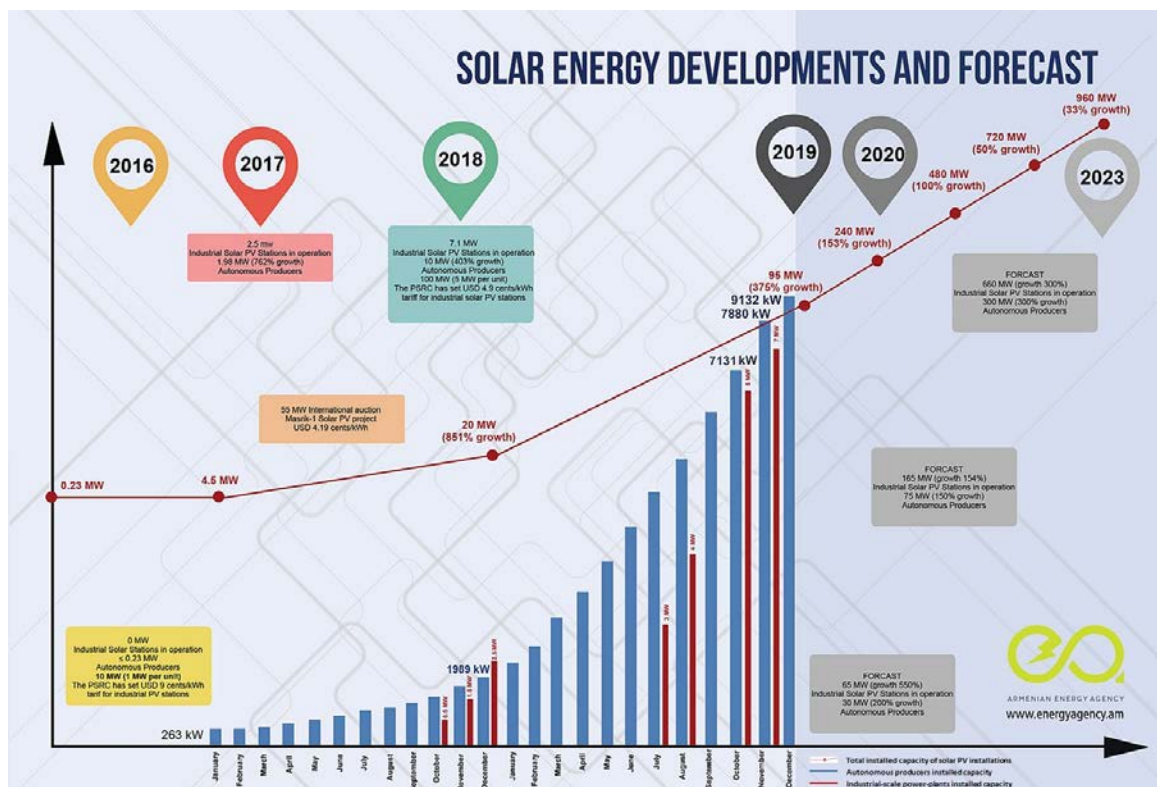
### Solar energy developments and the Armenian Energy Agency expert projections for growth until 2023

14.05.2019

Based on the data from 2016-2018, the Armenian Energy Agency gave their expert evaluation and projection of the development of solar energy production in the country.

As of 10 February 2019, the number of autonomous energy producers totalled 836 stations with an installed capacity of 9991.71 kW. Another 73 stations with a total installed capacity of 2799.28 kW were declared under construction. This capacity of solar energy from autonomous producers totalling 10 MW is just the beginning of an unprecedented development that was made possible thanks to the targeted cooperation of the State, the private sector and financial institutions.

As a result of the expert evaluation of the Armenian Energy Agency, it is evident that, based on the average rates of development of solar energy from 2016 to 2018, a capacity of 960 MW can be achieved by 2023, of which 660 MW will be industrial scale stations and 300 MW autonomous producers.



Source: energyagency.am

### Global growth in net electricity generation capacity

A short time ago, solar power was considered a marginal power source. Now it is one of the major drivers behind the transition to a greener economy.

As prices for solar technologies go down, demand goes up. In 2018, 94 gigawatts of new capacity went online, thus expanding global solar sector for 55% of all new renewable power-generating capacity. China was responsible for 46.8% of all new solar capacity, almost five-times more than India (9.57%), which followed directly behind. Other rapidly expanding markets include the US (8.51%), Japan (6.38%), Australia and Germany (4.25% each), and the Republic of Korea, Mexico and Turkey (approximately 2.12% each). Alongside the rise of solar power, other clean energy sources like wind farms and hydropower are also growing.

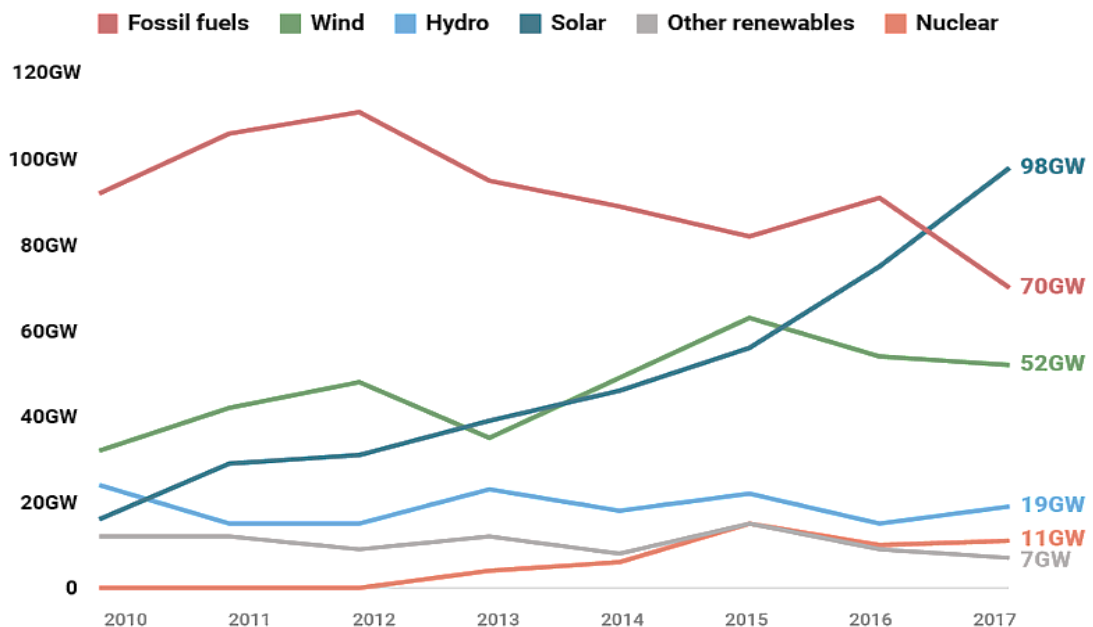
A report from the International Renewable Energy Agency (IRENA) sees falling renewable technology costs as the key to future energy decarbonisation, noting it will ultimately be

cheaper to build and operate solar and wind farms than to run existing coal-fired power plants.

Changing the energy system to emphasise clean sources is the only way to slow the process of climate change, since emissions from fossil fuels cause more heat to become trapped in the atmosphere. In 2017 alone, the solar sector attracted US\$160.8 billion in investment, an 18% increase over 2016, according to a report from the UN Environment Programme.

While solar is becoming much cheaper, it is worth mentioning that the levelised cost of electricity (LCOE) as a measurement does not take into account external costs, such as storing solar power for cloudy days, which is one of the lingering obstacles preventing the widespread adoption of solar power. Until battery and storage capabilities improve, the report by Lazard says that countries will likely need to use a mix of traditional energy sources along with renewables.

Source: weforum.org



BUSINESS INSIDER

Source: CarbonBrief.org





## EU Sustainable Energy Award for Eastern Partnership goes to an EBRD-financed Project

The EU Sustainable Energy Award for Eastern Partnership Countries is part of the EU Sustainable Energy Week 2019 (EUSEW) and was, for the first time, extended to the six Eastern Partner countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine). The award recognises inspiring EU-supported energy efficient and renewable energy projects that directly help citizens and communities save energy and/or switch to sustainable sources.

The first edition of EU Sustainable Energy Award for EaP received more than 50 entries from 6 countries covering an impressive range of creative high-impact solutions. The jury selected finalists were:

- *Biomass Heating Solutions for Rural Development (Armenia)*
- *Vine and Wine Company LTD - Shilda Winery (Georgia)*
- *Development of Renewable Energy Sources in Novogrudok District (Belarus)*
- *Biomass and energy efficiency at Prichindel kindergarten in Busila (Moldova),*
- *Reducing Energy Consumption and CO2 Emissions in Dolyna (Ukraine)*
- *Higher Engineering Training for Environmentally Sustainable Industrial Development (Ukraine).*



The winner of the first edition of the Award of the EUSEW19 was announced at a Ceremony in Brussels on 18 June 2019. It is the energy efficient Shilda winery from Georgia ([www.shilda.com](http://www.shilda.com)), which was founded in 2014 and is located in Kakheti – the principal region of viniculture in Georgia. By participating in the Caucasus Energy Efficiency Program supported by the EBRD and the EU, the company started using an energy efficient eco-friendly wine production process, making it the first environmentally friendly wine producer in the region. Nowadays the winery consumes 60% less energy and saves more than €60,000 annually on its energy bills.

Source: [www.euneighbours.eu/en/east/stay-informed/news/georgian-shilda-winery-announced-winner-eu-sustainable-energy-award-eap](http://www.euneighbours.eu/en/east/stay-informed/news/georgian-shilda-winery-announced-winner-eu-sustainable-energy-award-eap)

Case from June 2019  
**Health and beauty clinic leverages its potential through renewable energy**



### Location

Yerevan, Armenia



### Investment

Solar PV station



### Investment size

US\$ 39,208



### Financial results

Payback in 8 years



### Energy savings

108 MWh/year



### CO2 savings

26,2 tonnes per year



### Impact

Decrease of operational costs



### Donor

GCF, CIF

Full story at:  
[www.ebrdgeff.com/armenia/projects](http://www.ebrdgeff.com/armenia/projects)

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